

12-30-19  
RETURN TO THE  
STATISTICAL DEPARTMENT OF  
THE BUREAU OF THE CENSUS

INTERNATIONAL SHOE COMPANY

St. Louis, Missouri.

Certified Balance Sheet

As at November 30, 1919

MARWICK, MITCHELL, PEAT & CO.  
ACCOUNTANTS AND AUDITORS

# INTERNATIONAL SHOE Co.

SUCCESSORS TO  
ROBERTS, JOHNSON & RAND SHOE CO.—PETERS SHOE CO.—FRIEDMAN-SHELLEY SHOE CO.  
**MANUFACTURERS.**  
1501-1509 WASHINGTON AVE.  
ST. LOUIS, MO.

EXECUTIVE OFFICE

**St. Louis, Mo.,**

Dec. 24, 1919.

TO OUR STOCKHOLDERS:—

At the close of our Fiscal Year ending November 30th, 1918, our surplus amounted to \$8,185,135.44. This account, at the close of business November 30th, 1919, stood at \$11,259,859.75, showing a net gain of \$3,074,724.31, after paying to our stockholders 7% on the Preferred and 7% on the Common stock, making a total dividend distribution for the year of \$1,592,500.00.

In the opinion of your directors, the earnings of the Company warrant an increase in dividends to the Common stockholders. They have, therefore, authorized the payment of a dividend of 8% on the Common stock for the year 1920, in quarterly installments of 2%, beginning January 1st.

During the fiscal year just closed, the Company's business, in spite of conditions unfavorable to full production, amounted to \$62,494,608.12, showing a gain of \$10,331,638.23 over the previous fiscal year. While this gain is very gratifying, yet your directors realize that, under present price conditions, the most satisfactory test of the Company's progress is the increase in the volume of its merchandise manufactured and distributed. You will be interested to know that during the fiscal year just closed, the Company made and shipped nearly one and a half million pairs of shoes more than during the previous fiscal year, showing a gain on this basis of 11½%.

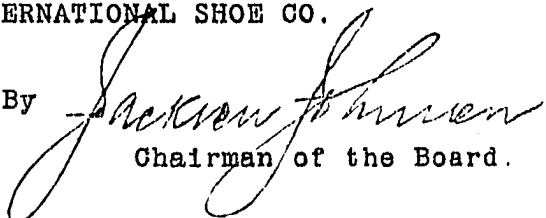
The Company has more orders now than at the same time last year and all of its factories are fully employed.

You have already been advised of the Company's offer to its stockholders of the unissued Preferred stock amounting to \$2,250,000.00 at \$108.00 per share. It has always been the policy of the Company to keep its finances in a strong condition, and this action, in the opinion of your directors, is made necessary by the large increase of business and by the need for enlarged facilities for production.

Yours very truly,

INTERNATIONAL SHOE CO.

By



Chairman of the Board.

U. S. A  
NEW YORK, 75 WALL STREET  
BOSTON, 148 STATE STREET  
PHILADELPHIA, 1421 CHESTNUT STREET

CABLE ADDRESS "MAWIKMIT" FOR ALL OFFICES  
CODES - WESTERN UNION - A B C 5TH EDITION

NEW ORLEANS, HIBERNIA BANK BUILDING  
PITTSBURGH, 248 FOURTH AVENUE  
CHICAGO, 105 SOUTH LA SALLE STREET  
MILWAUKEE, PASST BUILDING  
ST. LOUIS, FEDERAL RESERVE BANK BUILDING  
KANSAS CITY, COMMERCE BUILDING  
DETROIT, DIME SAVINGS BANK BUILDING  
MINNEAPOLIS, 115 SOUTH FOURTH STREET  
DALLAS, AMERICAN EXCHANGE NATL BANK BLDG.  
SALT LAKE CITY, WALKER BANK BUILDING  
PORTLAND, NORTHWESTERN BANK BUILDING  
SAN FRANCISCO, 510 CALIFORNIA STREET

CANADA  
MONTREAL, 260 ST JAMES STREET  
TORONTO, ROYAL BANK BUILDING  
WINNIPEG, NORTHERN CROWN BUILDING  
MOOSE JAW, WALTER SCOTT BLOCK  
CALGARY, CANADA LIFE BUILDING  
VANCOUVER, STANDARD BANK BUILDING

EUROPE  
LONDON, PINNERS HALL, OLD BROAD STREET  
GLASGOW, 135 BUCHANAN STREET  
PARIS, 5 RUE DAUNOU PRES L'AVENUE DE L'OPERA

## MARWICK, MITCHELL, PEAT & CO.

ACCOUNTANTS AND AUDITORS

FEDERAL RESERVE BANK BUILDING

BROADWAY AND PINE STREET

ST. LOUIS December 20, 1919.

### CERTIFICATE OF AUDITORS

We have audited the accounts of the International Shoe Company for the year ended November 30, 1919, and certify that the Balance Sheet appended hereto properly presents, in our opinion, the financial position of the Company as at that date.

The cash in banks and on hand has been verified by certificates received from the several depositaries, while the accounts receivable are stated after making suitable provision for bad and doubtful debts and discounts. The inventories of manufactured merchandise, raw materials, supplies, etc., as prepared under the supervision of responsible officials of the Company, are valued on the basis of net cash cost or market prices, whichever were the lower at November 30, 1919.

Securities and other evidence of ownership in connection with the Company's holdings of Liberty Loan Bonds and other investments were produced for our inspection, and we have examined the vouchers and other data in support of the expenditures on additions to physical properties during the year under review. The physical properties are stated on the basis of sound values determined by the American Appraisal Company as at August 31, 1919, and the appreciation arising from the revaluation has been added to the Reserve for Depreciation. The amount charged to operations in respect of depreciation and maintenance of the physical properties during the year under review, is, in our opinion, adequate for these purposes.

All liabilities of the Company at November 30, 1919, of which we have cognizance, are recorded in the Balance Sheet, including full provision for Income and Profits Taxes to that date.

*Marwick, Mitchell, Peat & Co.*

Balance

As at Novemb

Assets**Current and Working Assets:**

Cash in Banks and on Hand	\$ 1,018,594.84
United States Government Liberty Loan Bonds - Market Value	965,133.60

**Accounts Receivable:**

Customers, less Reserve for Bad Debts and Discounts	12,206,138.11
Salesmen's Traveling Advances and Sundry Accounts	53,968.88
Advances to Employees, secured by Liberty Loan Bonds	43,783.17

**Inventories:**

Manufactured Merchandise	2,550,517.58
Raw Materials, Supplies, and Merchandise in Process	<u>10,488,674.43</u>

Total Current and Working Assets	27,335,860.61
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Loans and Advances secured by deposit of 3,242 shares  
of Common Stock of Company

272,573.93

**Expenses Paid in Advance:**

Insurance Premiums, Interest, Taxes, and Other Deferred Charges against Operations	139,672.87
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Investments in Stock and Bonds of Other Companies

51,150.00

**Real Estate, Buildings, Machinery and Equipment:**

Gross Value, predicated on sound values determined by American Appraisal Company at August 31, 1919	\$ 7,582,335.00
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Less - Reserve for Depreciation (including net appreciation arising from revaluation of August 31, 1919)	<u>3,948,112.26</u>	3,634,222.74
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Goodwill, Trademarks, and Brands

12,750,000.00

**Total****\$ 44,183,480.15**

Balance Sheet

November 30, 1919

Liabilities

Current and Accrued Liabilities:

84	Notes Payable - Brokers, Banks, and Individuals	\$ 4,876,500.00
60	Accounts Payable for Merchandise, Supplies, Etc.	2,497,034.62
	Officers and Employees Balances, Deposits, Etc.	<u>372,346.33</u>
11	Total	7,745,880.95
88		
17	Reserve for Income and Profits Taxes	<u>2,250,000.00</u>
	Total Current and Accrued Liabilities	9,995,880.95

58		
43	Reserve for Dividends on Preferred Stock	150,000.00
61		

Capital Stock:

	Authorized in shares of \$100 each - 127,500	
93	shares of Common and 122,500 shares of	
	7% Cumulative Preferred Stock	\$ <u>25,000,000.00</u>
	Whereof Issued:	
.87	Common - 127,500 shares of \$100 each	12,750,000.00
	Preferred - 100,000 shares of \$100 each	<u>10,000,000.00</u>
.00	Total Capital Stock Issued	22,750,000.00

	Advance Payments on account of Subscriptions to	
	New Issue of 22,500 shares of Preferred Stock	27,739.45

	Reserve for Trade Conditions affecting Raw Material Market	1,000,000.00
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Surplus:

	Surplus as at November 30, 1918	7,185,135.44
.74	Net Earnings for year to	
	November 30, 1919	\$ 6,917,224.31
.00	Less - Provision for	
	Federal Taxes	<u>2,250,000.00</u>
	Gross Surplus	<u>4,667,224.31</u>
		11,852,359.75
	Less - Dividends Declared:	
	Common Stock - 7%	892,500.00
	Preferred Stock - 7%	<u>700,000.00</u>
		<u>1,592,500.00</u>
	Net Surplus, November 30, 1919	<u>10,259,859.75</u>
.15	Total	\$ <u>44,183,480.15</u>

Contingent Liabilities - None Ascertained.